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SUBJECT: TONGA AND THE FUTURE: RECONCILE; REFORM; AND
REBUILD

REF: SUVA 61

Classified By: Amb. Dinger. Sec. 1.4 (B,D).

Summary

¶1. (C) Two months after last November's riot, the Ambassador's Jan. 16-18 visit to Tonga found most everyone still licking their wounds. But many people realize they must look forward. A state of emergency may continue for several more months. The Tonga Defense Service (TDS) hopes to reduce its visibility soon, seemingly a good idea. Widespread criticism of the Tonga Police has brought a request to Australia and New Zealand for aid. Several leaders see a great need for reconciliation of angry political factions, though some believe punishment of alleged riot leaders must come first. The King and PM both say political reform will continue in 2007, though sticky issues like the King's role and the pace of electoral change remain. Tongans seem hungry for true leadership, but some believe PM Sevele is still in shock from the riot.

¶2. (C) The need to rapidly rebuild Nuku'alofa's central business district (CBD) is acknowledged by all. Funding the \$200 million bill is a big problem. Australia and New Zealand have offered around US\$1 million each to soften commercial lending for reconstruction. Banks say their local assets are insufficient. PM Sevele is seeking major grants from China. Given Tonga's recent decision to send a second deployment to the "Coalition of the Willing" in Iraq, Sevele is preparing a request to the U.S. military engineers to undertake a major infrastructure project in the CBD. We comment that Tonga's saving grace is remittances from abroad. They provide an essential cushion during the interim before the economy rebuilds. We will continue advocating the "democracy" theme in Tonga. Given the long U.S.-Tonga friendship and the coming redeployment to Iraq, we advocate exploring if more concrete support for political reform and for a reconstruction project is possible. End summary.

A rolling state of emergency; TDS at the fore

¶3. (C) Reftel described the dynamics of Tonga's devastating Nov. 16 riot. In the subsequent two months, most attention in Nuku'alofa has focused on security issues: re-imposing law and order on the streets; investigating who committed crimes; and beginning a punishment phase. PM Sevele declared a formal state of emergency, though not marshal law, immediately after the riot. Tonga law permits a state of emergency for only 30 days at a time, with the possibility of multiple extensions. Sevele told us he expects several more

iterations. He said he continues to receive threats personally. He noted he now has a protective detail, a reality he dislikes. Tonga's AG told us she believes the continuing presence of the TDS on the streets provides a useful sense of security.

¶4. (C) TDS Commander Uta'atu said he is gradually reducing the visible army presence on the streets; but he sees a need to maintain emergency powers, at least until the cases of the most prominent pro-democracy leaders are adjudicated. Those arrests and potential convictions could stress the public mood yet again. During the state of emergency, the TDS and police, but particularly Uta'atu, have taken on very broad authority. The TDS has 92 troops, about a fifth of the force, on the streets. Troops have established and enforced new security-related rules, including bar close-down times, without any consultation with the civilian government.

Anecdotes of abuses; alienation setting in?

¶5. (C) While many seem to appreciate the prominent TDS role since the riot, there have been anecdotes of abuses. Reportedly a couple of evenings after the riot, a middle-aged man drove up to a check point not far from the King's villa. Soldiers took him from his car and beat him until he mentioned a brother in the Army. The man said he had no role in the riot or in politics. In another frequently heard anecdote, TDS troops entered a home, alleging the new furnishings inside had been looted during the riot. They moved everything to the lawn, to the shock of the grandmother at the scene. When the owner came home and showed receipts for all purchases, the TDS troops acknowledged they had come to the wrong house. They then departed, leaving everything

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still on the lawn. Several prominent figures in Nuku'alofa, not pro-democracy activists, said the continued TDS role has been over-done and is alienating people. They said, in their view, there is no need for the state of emergency to continue. Pro-democracy figures presume a reason that the state of emergency continues is to make it very difficult for political discussions to take place. Any meeting of more than three or four people supposedly requires a permit.

Complications from a "no transit" list

¶6. (C) A sub-issue regarding security is a list TDS-intelligence reportedly prepared of several dozen people who are not permitted through military check points. Because Nuku'alofa's airport is beyond such a check point, the list has kept a number of people from traveling overseas. The preparation of the list was opaque. Three people stopped from entering the airport to take flights filed an emergency suit in the Tonga courts just before Christmas. Chief Justice Ford did not rule on the legality of such a list, but he did allow all three to travel since the TDS argued in court that the only concern was possible terrorism at the airport, not flight from prosecution. Ford was convinced none of the people were terrorists.

Professionalizing the Police

¶7. (C) As reported reftel, the Tonga Police are almost universally criticized for their failures at the time of the riot. PM Sevele has lost all faith in them, and the Police Commander has quietly resigned. Sevele has asked for an Australian or New Zealander to command the force. Sevele has also asked the Aussies and Kiwis to design and implement a broad-scale "police development" program. The two donors are seriously considering both requests.

Anger and a search for regret

¶8. (C) As described reftel, most everyone in Tonga currently is angry. Minister of Finance 'Utoikamanu noted that many commoners have been "ill served" by the current political and

social systems and were very upset even before the riot. PM Sevele remains very angry personally at the trashing of his store, endangerment of his family, and several public attacks on his performance. Many people are embarrassed by the riot, by the lawless image displayed. Many mention their sense that the perpetrators have not expressed regret. Not surprisingly, perpetrators, subject to criminal prosecution, have not stepped forward to confess to planning or encouraging the riot. Conservative Tongans generally blame the pro-democracy movement for being the impetus, whether planned or not. Interestingly, the Friendly Islands Human Rights and Democracy Movement did issue a press release immediately after the riot condemning the perpetrators, whomever they might be, and reaffirming the Movement's belief in rule of law.

Reconciliation imperative; King's speech

¶9. (C) Several contacts pointed out a need for all sides, angry as they are, to work at reconciliation. All figure that goal will be difficult or impossible to accomplish until "justice has been served" via trials of perceived riot leaders. Still, the King's speech at the closing of Parliament on Nov. 22 was a start. He expressed deep regret that the riot had occurred and had so negatively affected so many, and he stressed that the political reform process must continue. He urged all sides to work out a compromise reform plan to present to the next session of Parliament when it commences in May. Not everyone bought the message. Asked about the King's speech, People's Rep Clive Edwards responded: "Nice words but insincere." Still, the point remains that, as Foreign Secretary Tone repeatedly stressed, all sides need to engage in "dialogue", even if actual reconciliation takes some time. The Finance Minister suggested there is scope for the donor community to contribute funds and expertise to the reconciliation process.

Reform still in the cards; tough issues remain

¶10. (C) To actually achieve the King's requested political compromise in the next few months is problematic. Most all decision-makers, including the King, the PM, and the AG, seem now to agree that Tonga must have a fully elected Parliament.

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Sticky details remain, though. Beyond parliamentary numbers, the pro-democracy movement has long pushed for a formal diminution of the King's constitutional role. Sevele says the King has made clear he intends in general to act "on advice" of the PM on Cabinet appointments and policy issues, de facto accepting a Japan- or UK-like model. The AG told us her Ministry expects to prepare constitutional amendments to formally incorporate such changes. However, the Lord Chamberlain told us he is certain the King intends only an informal arrangement. That, of course, would leave open an opportunity for the present King, or his successor (likely to be his younger brother, Sevele's predecessor as PM, and a very conservative force) to say "never mind."

Pace of reform still a volatile consideration

¶11. (C) Another issue is "pace." Should all reforms be in place before Tonga's next election in 2008, or should some or all be deferred to sometime later? Some argue that the riot's shock has set back the impetus for immediate change: "If this is what comes from reform, who wants it?!" Cabinet Minister Akolo suggested it is obvious that all efforts at political reform must be put off until "justice is served." On the other hand, People's Rep. Edwards told us his sense is that, after the riot, the mood for reform is strengthening even more. People still feel estranged from a closed, traditional system, and they are angry at the PM and army for post-riot actions.

PM sees stumbling block re quick action

¶12. (C) PM Sevele assured us that he will continue the move to political reform; however, he noted a practical stumbling block. There may be nobody from the People's Representative side of Parliament who can be included in the tripartite negotiating committee proposed before the riot to work through the details of reform. With an expectation that all seven pro-democracy People's Reps will soon be under indictment, who is left? (Note: the other two of the nine People's Reps in Parliament are not democracy advocates and would not be publicly perceived as representing the "pro-democracy" faction.)

A need for real leadership

¶13. (C) The Lord Chamberlain to the King assured us His Majesty is fully on board for major political reform and retains confidence in the PM to obtain that result. The key really does seem to be the PM. Several savvy observers said Sevele is still in a state of shock from November. He is not exerting leadership at a time when leadership is desperately needed. Nobody else is exuding reform leadership either.

Everybody on board for rebuilding the CBD

¶14. (C) The issue that clearly is capturing attention right now is the need to rebuild Nuku'alofa's CBD. Tonga cannot rebound unless its economy rebounds. For the economy to rebound, Nuku'alofa businesses must rebuild and prosper. The Tonga Government has already commissioned an architectural sketch for a model city center to replace the ramshackle, rather shabby business district of old. Unfortunately, from our perspective, the drawing recalls a California shopping center more than a charming South Pacific capital. Undoubtedly, other concepts will be considered, too. The City of Manukau in New Zealand has offered its town planners to provide ideas.

But who has \$200 million?

¶15. (C) A hugely important issue will be cost. The Tonga Government was already cash strapped before the riot. It will not be able to finance rebuilding on its own. Most business losses from the riot were not covered by riot insurance. The few who had such insurance have had no success yet in receiving settlements. Tonga is looking to foreign donors. The World Bank, the Asian Development Bank, Australia, and New Zealand have all reportedly expressed sympathy but have not offered up the US\$200 million Tonga says the rebuilding will cost. (Note: we heard that figure actually came from the King, with an instruction for the Government to build a case to buttress it.) Australia and New Zealand have tentatively agreed to each provide about US\$1 million in grants to "soften" commercial-bank interest

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rates to make finance more affordable. However, the commercial banks report they have nowhere near the assets in Tonga to finance reconstruction. To bring more cash in, the banks will insist on someone guaranteeing a "no loss" result if exchange rates fluctuate.

How about China?

¶16. (C) Given the huge need for funds, PM Sevele is looking to China, which has provided significant aid ever since establishing diplomatic relations with Tonga in 1998 (in place of Taiwan). In April 2006, Chinese Premier Wen announced plans for more than US\$300 million in future aid to the Pacific. Tonga wants to tap that money, which has yet to be seen on the ground. Reportedly, initial queries about a large grant received positive murmurs. PM Sevele told us Foreign Minister Tu'a and Finance Minister 'Utoikamanu would travel to Beijing this week to discuss how much assistance is possible. 'Utoikamanu noted that China, as always, wants Chinese workers to build any Chinese assistance projects; but the King objects to that, not wanting "shoddy workmanship" in

his rebuilt capital.

Or the U.S. Army Corps of Engineers?

¶17. (C) PM Sevele asked how the USG might assist, particularly given the Tonga Defense Board's approval in December of a second deployment of TDS soldiers to the "Coalition of the Willing" in Iraq. We recalled the long friendship between the U.S. and Tonga, reiterated Washington's deep appreciation for the Iraq-deployment decision, and noted the significant military assistance we are providing to support the deployment. We also noted USAID's departure from the region in the mid-1990s and the reality that Tonga does not yet qualify for Millennium Challenge funds because of its scores on political openness. Thus, sizable economic-development assistance is difficult for the U.S. to deliver in the South Pacific. Sevele then asked, given the upcoming TDS deployment, if U.S. military engineers might undertake a major infrastructure project, perhaps the water and sewer systems for the new CBD. We noted that U.S. military engineers are heavily engaged elsewhere, but Embassy Suva would be happy to forward any Government of Tonga request for USG consideration, with no guarantees. Sevele said he would write a formal letter, which has yet to arrive.

Comment

¶18. (C) Tonga faces huge challenges at a time when most everyone in Nuku'alofa is still stressed out from the riot, when political rivals remain incensed at opponents, when the economy is a basket case, and when the Government's fiscal coffers are bare. A saving grace is remittances. At least as many Tongans live abroad (New Zealand, the U.S., and Australia) as in Tonga, and they are remarkably generous to their relatives back home. Even before the riot, remittances reportedly totaled more than the rest of the Tonga GDP combined; and thankfully the poorest families have tended to receive the most remittances, an extremely handy safety net. A banker reports post-riot remittances have spiked. That comforting reality would seem to provide the Government and people of Tonga some cushion for working through their multitude of issues in hopes of emerging as a reconciled, more-democratic, and rebuilt nation.

¶19. (C) We expect Tonga's pro-democracy forces have suffered a setback from being associated, rightly or wrongly, with instigating the riot. Still, it appears that at least on Tonga'tapu the grassroots sentiment for a democratic system remains strong. That seems much less true on the outer island groups, but Tonga'tapu has some 70-80% of the total population. The King struck the right note at his end-of-Parliament speech by stressing the inevitability of a more democratic system and the need for Tongans to focus ahead to a new day. Embassy Suva will continue encouraging the reform process. Ideally the USG could add programmatic support to our rhetoric. Given the long U.S.-Tonga friendship and the welcome reality of the intended TDS re-deployment to Iraq, we urge Washington to consider if the USG can in some useful way help meet Tonga's reconstruction needs.
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